

Minnesota Forest Resources Council
DRAFT Minutes
Carlos Avery Wildlife Management Area
March 18, 2015

Members Present: Bob Stine (Chair), Susan Solterman Audette, Greg Bernu, Wayne Brandt, Alan Ek, Shaun Hamilton, Gene Merriam, Bob Owens, Dave Parent, Shawn Perich, Kathleen Preece, Mary Richards

Alternate Members Present: Jim Jones (Minnesota Indian Affairs Council, alternate for Bob Lintelmann), Tom McCabe (McCabe Forest Products, alternate for Dale Erickson), Jon Nelson (Minnesota DNR, alternate for Forrest Boe)

Members Absent: Forrest Boe, Dale Erickson, Darla Lenz, Bob Lintelmann, Mike Trutwin

Staff Present: Dave Zumeta, Lindberg Ekola, Calder Hibbard, Rachael Nicoll, Rob Slesak

Guests: Dennis Becker (UMN), Rich Biske (TNC), Ted Dick (MN DNR), Lee Frelich (UMN), Steve Merchant (MN DNR), David Schmidt (TNC), Rob Venette (USDA Forest Service, UMN)

Chair's Remarks

Bob Stine opened the meeting with introductions. He announced that Amanda Kueper, MFRC Landscape Forester, is no longer working with the council. She has accepted a position as a Subsection Forest Resource Management Planning and Policy Planner working for Jon Nelson with the DNR Division of Forestry. Bob also noted that the search for a new MFRC Executive Director is still in a preliminary stage. A draft position description should be approved soon, and he hopes that the position will be posted in the near future.

Approval of Meeting Minutes*

Wayne Brandt approved, and Kathleen Preece seconded, the meeting minutes. *The minutes were unanimously approved.*

Approval of Agenda*

Gene Merriam approved, and Shaun Hamilton seconded, the draft meeting agenda. *The agenda was unanimously approved.*

Executive Director Remarks

Dave Zumeta said that he and Calder Hibbard have been visiting Minnesota legislators to distribute the MFRC 2014 Annual Report and discuss the MFRC change level request and proposed Sustainable Forest Incentive Act revisions. Dave said he was pleased with the progress they have made and thanked the various entities that have supported the council in these efforts. Dave added that the governor's supplemental budget, which was released on March 17, 2015, recommend adding \$200,000 to the council's base budget. Dave thanked Wayne Brandt and MFI members for speaking with the governor and thanked the DNR as well.

Wayne added that the lieutenant governor is very interested in forestry issues. Bob and Dave should consider inviting her to an MFRC meeting.

Dave also noted that he attended an open house for a proposed land exchange between the Superior National Forest (SNF) and the Minnesota DNR. The SNF would acquire 30,000 acres of Trust Fund lands located within the Boundary Waters Canoe Area Wilderness (BWCAW) in exchange for up to 39,000 acres of federal lands of comparable value outside of the BWCAW. Dave commented that the proposal seems to have a chance to succeed, perhaps a better chance than past efforts. Gene Merriam inquired about the change in the political climate necessary to support the proposed land exchange. Wayne Brandt speculated that the proposal is due, in part, to greater openness on part of the USDA Forest Service.

Shawn Perich asked for confirmation that no mineral rights would exchange hands. Dave replied in the affirmative, indicating that it is his understanding that the land proposed for exchange has low mining potential.

Bob Owens asked about the productivity of the lands involved in the proposed exchange. Dave replied that they are productive in terms of timber productivity and contiguity of managed lands. Wayne added that implementation of the exchange, if approved, would take several years.

Committee Reports

Personnel and Finance

Bob Stine noted that the committee has not met.

Site-Level

Dave Parent said that the committee has not met.

Landscape Planning/Coordination

Shaun Hamilton reported that the committee met on March 12, 2015. The draft meeting summary was emailed to MFRC members prior to the Council meeting. Lindberg also provided an update of regional committee activities.

Information Management Committee

Kathleen Preece reported that the committee met on February 9, 2015. Because Kathleen was unable to attend the meeting, however, she deferred to Calder Hibbard, who mentioned that the committee had discussed forest health issues, the implementation of the forest industry competitiveness report recommendations, and wildfire funding. Committee members felt that the time to inform the federal delegation of the Council's support for the proposed federal wildfire funding bill is soon. The committee also covered possible future discussion topics, and Kathleen said that she welcomes any input on those topics.

Written Communication to the MFRC

None.

Committee of the Whole: Draft resolution in support of House File 14 and Senate File 156 to provide increased funding for the MFRC*

Bob Stine provided a copy of the letter that he sent to DNR Commissioner Tom Landwehr dated March 2, 2015, requesting his support for additional base level funding for the MFRC. Dave read the text of Senate File 156, which would add \$300,000 to the current \$580,000 in MFRC base funding, thereby increasing the MFRC budget to \$880,000. House File 14 has identical language. If the language of these bills remains identical, a conference committee would finalize the number.

The chief author of SF 156 is Senator Sauxhuag. It is coauthored by Senators Tomassioni, Ingebrigtsen, Marty, and Ruud. Dave and Minnesota Forest Industries staff member Ray Higgins recently testified in support of the bill. It passed for consideration as part of the Omnibus Environment and Natural Resources Finance Bill. The chief author of HF 14 is Representative Anzelc. The bill is co-sponsored by Representatives Bly and Dill. Dave is hopeful that additional legislators will co-sponsor the bill.

In response to a request for clarification, Bob explained that the Governor's supplemental recommended budget would add \$200,000 per year to the MFRC's base funding, and House File 14 and Senate File 156 would add \$300,000 per year.

Wayne provided editorial suggestions for the draft resolution.

Wayne Brandt moved to approve, and Alan Ek seconded the resolution as amended.

Wayne provided additional suggested edits to the draft resolution as amended.

Wayne Brandt moved to pass the resolution as further amended. Bob Owens seconded the motion. *The motion to approve the resolution as further amended passed unanimously.*

Draft resolution in support of House File 1410 and Senate File 1414 to revise the Sustainable Forest Incentive Act*

Bob Stine introduced Wayne Brandt and Kathleen Preece. Wayne provided information on the House and Senate bills that propose revisions to the Sustainable Forest Incentive Act (SFIA), which have both been introduced in committee. He explained that an SFIA stakeholder group met in 2014, and developed a list of recommendations that was incorporated into the bills.

There have long been vexing issues with the SFIA that some senators have not wanted to address. However, there now seems to be momentum to solve them. Senator Marty (northern St. Paul) is the chief author of Senate File 1414. Senator Skoe has indicated that the legislature should not just repair the program; SFIA should be transformed into a better program. A fairly extensive amendment to the bills would reinstate a formula for calculating the incentive payment and limit annual fluctuations. Among other changes, it sets up a graduated payment schedule dependent on length of enrollment and sets up a partial payment for lands that have permanent conservation easements. The amendment will probably change further. For example, it does not currently address public access issues. Payment for access values is worth

between \$11-50 per year in Minnesota. Wayne added that he is hopeful that the bills will improve SFIA so that it enhances sustainable forestry and attracts additional enrollees and acres.

Kathleen Preece noted that she has witnessed participants at Minnesota landowner symposiums always focus on two topics: money and wildlife. The revision of the SFIA addresses these topics. Kathleen asked a clarifying question about language regarding the commissioner being crossed off in House File 1410. Dave Zumeta responded that most administrative duties shift from the Department of Revenue to the DNR in this bill. Kathleen also asked if more responsibility would shift to new landowners in the revised act. Wayne replied that that is the case, and avoidance of or payment of penalties would fall to new landowners.

Alan Ek inquired about perspectives from the forest industry with respect to their view of land ownership. He noted that selling of industrial lands will continue, and asked how to make SFIA more attractive to large industrial landowners. Wayne replied that that a recent court decision ruled that SFIA is a two-year program subject to appropriations by the legislature. If money is not made available, SFIA enrollees will not receive adequate payments and will have the incentive to continue selling land. Industry groups see the SFIA as a contract with the state.

Shaun Hamilton asked if the Blandin provision was struck in the bill. Wayne replied that it was. Shaun also asked if lands with future conservation easements would not be eligible for SFIA enrollment, but those with existing easements would be eligible. Dave Zumeta replied that this is not yet the case in the House bill, but that he expects this to be rectified to match the Senate bill.

Dave Zumeta mentioned that there are additional issues to be worked out, such as the change in length of the covenant; the proposed covenant lengths as proposed in the Senate bill may be too long from the perspective of some industrial owners. There is a need for additional internal stakeholder consensus. There are likely to be further revisions made in both the Senate and House bills. Bob Owens asked what sort of resolution from the MFRC is meaningful to the revision of the SFIA. Bob Stine replied that we may not support the exact, existing language, but the council could generally support a revision of the SFIA that addresses the recommendations of the Office of the Legislative Auditor and the SFIA stakeholder group.

Wayne, Shaun, and Jon Nelson suggested several amendments to the draft resolution.

Alan Ek moved to approve the amended resolution, Bob Owens seconded the motion. The motion to approve the amended resolution carried unanimously.

Relationship of timber harvesting to deer, ruffed grouse, and American woodcock populations over the past 20 years

Shawn Perich introduced Ted Dick and Steve Merchant, DNR Division of Fish and Wildlife. Shawn explained that the state's low deer population is a hot issue right now. Two harsh winters have contributed to the deer's population decline. Ted will discuss the relationship of game species populations to forest management, specifically how changes in timber harvest

have likely influenced populations of deer, ruffed grouse, and American woodcock. The state does not assess ruffed grouse and American woodcock population levels, and only does so periodically for white-tailed deer. All are early successional species and need some young forest habitat. A major issue has been the significant decline in timber harvests since 2005.

Ted presented regional grouse drumming survey results. Increases in the amount of early successional forest habitat (young and old), generally result in increased densities of grouse and American woodcock. Aspen tends to be the most important forest cover type, but conifers are important as well for thermoregulation and refuge from predators. There were no significant long-term population trends in the three northern grouse zones. From 1979-2003, there has been a steep decline in numbers of drums in the southeast. The decline is probably related to changes in land use and forest composition with the expansion of invasive species.

Ted covered habitat management strategies to improve grouse habitat as well as management challenges. The site-level forest guidelines contain this information, but application of best management practices varies. Ted also noted the DNR's long-range management plan for ruffed grouse in Minnesota.

American woodcock population trends have been negative in the eastern and central regions, but there is no significant trend statewide. Development of a new management plan is underway. Ted discussed several habitat management strategies. More aspen is not the answer for woodcock, but strategically placed aspen is important. The limiting factors for woodcock populations are likely along the species' migration route. Correct implementation of the site-level forest management guidelines can improve habitat in Minnesota.

Rob Slesak asked if there any studies on controlled experimental manipulations of leave tree configuration. Ted was not aware of anything but said this is a research need. Dave Parent asked about the relationship of landings, skid trails, and logging roads to grouse and American woodcock habitat. Ted thinks there is a positive contribution through the creation of openings; however, the impacts of compaction and erosion are not well understood.

Ted covered white-tailed deer population ecology, management goals, and management strategies to improve habitat. The highest deer densities are found in mixed forest and in mixed farmland and forest landscapes. Work is ongoing on modeling optimum deer habitat. Ted also discussed Minnesota's deer management system. The DNR planned for reductions in the deer population several years ago, but at present maintaining adequate populations for deer hunting has been a problem. In the north, major limiting factors on deer populations are winter weather and hunter harvest.

Wayne Brandt asked if white-tailed deer population modeling/analysis accounts for changes in the forest. The major declines in harvests since 2006 have had to have had an impact on the deer herd. Steve replied that the DNR's model does not factor in habitat directly. The model lets the DNR know what the harvest level should be, but there is no annual input related to habitat. The habitat suitability index has increased over the years, but it demonstrates that

early forest habitat is not the driving factor for deer populations. Winter weather has been a major limiting factor. Habitat does matter, however. Bob Owens told Steve that it has been implied that overage aspen is part of the problem with deer habitat. Ted replied that 60 to 70-year old aspen is not considered white-tailed deer habitat, but 40 to 50-year old aspen is important. A broad range of age classes is also important. Alan Ek added that he suspects older age forests have a much higher density of woody debris on the forest floor. The data available today may not quantify this, but this is a desirable area for refinement of habitat information.

Shawn Perich added that the strong wolf population is likely slowing the deer population recovery. Steve replied that the last two severely cold winters have had a catastrophic adverse effect on deer populations, but that the Minnesota deer population will recover. Shawn responded that the deer herd will not recover as quickly as Steve predicts.

Vision for Terrestrial Invasive Species Research Center

Dave Zumeta introduced Rob Venette, USDA Forest Service research biologist and Director of the Minnesota Invasive Terrestrial Plants and Pests Center (MITPPC) in the College of Food, Agricultural and Natural Resource Sciences at the University of Minnesota (UMN). Rob provided background information on the center. Emerging and established terrestrial invasive species issues in the state occur across a range of terrestrial land types, including wetlands. He discussed both the direct and indirect costs of terrestrial invasive species. A conservative estimate of the cost to Minnesota is \$3 billion annually and \$134 billion nationwide. New terrestrial invasive species threats are increasing.

The funding goal for the center is \$15 million from two funding sources: General Fund appropriations for research and center establishment and LCCMR/Environment and Natural Resources Trust Fund funding to support several projects. However, it is not known if \$15 million is adequate, and how to best use the funds. The state's monetary commitment to terrestrial invasive species research has increased three-fold with the establishment of the center.

The center is ahead of the initial timeline that was set for its establishment. An expert panel will be convened to identify/prioritize issues. Rob outlined his broad vision for the center, part of which is laid out in statute. The success of the center will be judged by what happens on the land. The center will use a research prioritization framework to address issues. Rob emphasized the need for the council to share research ideas, support and collaborate on research, provide funding and in-kind contributions to the degree possible, and otherwise support the center.

Greg Bernu asked how the center will improve his relationship as a county agricultural inspector with the DNR and/or APHIS. Rob responded that the center may not address his specific relationships. For example, a biocontrol program would be perfect to control common tansy, but funds have not been available for this type of program. The center could be involved in developing a coalition program to address this type of issue.

Shawn Perich emphasized that early success will be important and asked Rob if there is low-hanging fruit. Rob said that an immediate activity would be to create a noxious weed map, as we have a poor understanding of where invading weeds are likely to move in the future. Also, eradication of oak wilt may be possible with sustained effort.

Dave Parent asked Rob how he will address conflicts between funding high economic impact. Rob replied that it will be helpful to have economists leading the way. Economics is an important metric, but there are other metrics as well. For example, black ash trees have hydrologic and unique conservation values. Jim Jones added that black ash is an important tree species to American Indian communities.

Dave Zumeta said that there are multiple points of collaboration possible through MFRC staff. MFRC would like to be represented on the advisory board. Building on Jim Jones' comment, Dave urged Rob to have direct representative from the tribal community on the advisory board. The tribes have unique concerns that will not be adequately represented by anyone else.

Shaun Hamilton asked if the center will proactively address policy issues. Rob replied that the center is not allowed to advocate for policy positions, but we will provide the science to support policy. He added that there is such a backlog of issues that people have wanted to work on for so long, it might seem that the center is being reactive.

Impact of European earthworms on Minnesota forests, with particular focus on impacts on forest productivity

Dave Zumeta introduced Lee Frelich, University of Minnesota Department of Forest Resources and Director, UMN Center for Forest Ecology. Lee provided information on the trophic and ecological impacts of earthworm invasion in the Upper Midwest.

Lee provided information on the impacts of earthworm invasion, including changes to forest soils and loss of native species habitat. Lee covered the five stages of earthworm invasion and increasing soil impacts. Invasion in the BWCAW is most strongly related to campsites, portage trails, and motorboat lakes. Eventually, however, it is likely that earthworms will be present throughout virtually the entire landscape.

Earthworm invasion creates micro ecological cascades that lead to fundamental effects on soils, and secondary/tertiary effects on plants and plant communities, as well as on animals. Macro ecological cascades from earthworm invasion lead to extended ecological cascade effects, such as changes in forest and crop productivity, facilitation of other invasive species, impacts on disturbance regimes, and trophic changes of concern to human society at large spatial scales.

Lee discussed the impact of invasive earthworms on forest productivity. There are lower tree growth rates in areas of earthworm establishment and higher growth rates ahead of the invasion front. Earthworm invasion also amplifies drought sensitivity, and was found to be the most significant factor in sugar maple dieback. Higher earthworm populations existed in higher quality sites. On poor quality sites, earthworm populations actually had a slightly positive effect

on site productivity. Lee and colleagues hypothesize that earthworms will flatten the productivity-site relationship in forests.

Kathleen Preece asked for clarification about earthworm invasion patterns in the BWCAW. Lee responded that the patterns are created by visitors moving earthworms in; the invasion patterns are not due to patterns inherent in the environment. Shawn Perich asked how non-nightcrawler earthworm species arrived in Minnesota. Lee answered that they are similarly spread in live fishing bait and are mistaken for young nightcrawlers.

Jon Nelson asked what percent of forests are invaded by earthworms. Lee said about 80 percent of forests in Wisconsin and Minnesota are invaded, but earthworms are present in only 50 to 60 percent of the BWCAW. Jon also asked about implications of earthworm invasions for forest management. Lee responded that they include reduced productivity and regeneration success of certain tree species.

Forest Bank program in southeastern Minnesota

Lindberg Ekola introduced David Schmidt and Rich Biske from The Nature Conservancy, also members of the MFRC's Southeast (SE) Regional Landscape Committee. David provided a characterization of the SE region, an area of high species diversity with high quality sawtimber species that is predominately privately owned. Forest management is a secondary concern for many landowners in the region, and is generally more opportunistic than planned. For example, investments in invasive species control are often not made.

David provided information on the forest bank concept. A forest bank is a private non-profit partnership that works with landowners and purchases conservation easements with affirmative rights. The forest bank has the right and responsibility to manage its lands sustainably. The SE Minnesota Forest Bank would use harvest revenues to fund annual payments to enrolled landowners. The desired outcomes are to protect working forests, prevent parcelization and forest conversion, and preserve the scenic beauty of the landscape to maintain the strong outdoor tourism industry in SE Minnesota.

Rich covered the history of project. A USDA Forest Service grant funded exploratory work with pilot landowners. Timber revenue could be quite competitive in some cases; however, timber revenue is not enough to support the entire program. Outside support will be necessary. A number of challenges beyond funding exist, such as uneven cash flows, high up-front costs, and substantial organization capacity. The SE Minnesota Forest Bank's next steps are likely to be most crucial. Rich wants to engage more with the forest industry, which the MFRC could help initiate, and purchase easements for pilot properties.

Dave Parent asked if easements would allow for hunting. Rich responded that they could, and this could be negotiated for each conservation easement. The bank would not acquire hunting rights.

Bob Owens asked if there is some financial award for the banks. David replied that it is a conservation program and a means to place many conservation easements on the land. Bob asked if there is a tax incentive. Rich responded this type of project has been employed and studied in other areas. The bank is not a profitable enterprise. It is a revenue vehicle for doing conservation work and to support the local economy. There are two cash flows to landowners: standing timber value and dividends from timber harvest. The project is targeted at landowners willing to engage in conservation easements that are already in place. The bank could potentially pay back landowners by covering the cost of property taxes.

Shaun Hamilton asked how long the relationship with the bank would last. Rich replied that this has been variable in other areas, but it would probably be a 10-year minimum.

Public Communications to the MFRC

None.

MFRC Member Comments

None.

Mary Richards moved, and Dave Parent seconded adjourning the meeting. *The meeting was adjourned at 2:39 p.m.*